

**LOAN APPLICATION  
STATE REVOLVING FUND  
NONPOINT SOURCE POLLUTION CONTROL PROGRAM**

**I. Introduction**

Nonpoint sources (NPS) are the major cause of water pollution in California. As the State agency charged with protecting water quality in the State of California, the State Water Resources Control Board (State Water Board) is committed to promoting projects and programs that will reduce the impact of NPS pollution to the water bodies of the State.

The Federal Water Pollution Control Act, as amended in 1987, provides for establishment of a State Revolving Fund (SRF) loan program capitalized both by grants awarded to the State of California by the U.S. Environmental Protection Agency (U.S. EPA) and by State Bond Funds. SRF loans are intended to assist local agencies in funding the following types of water pollution control projects:

1. Implementation of NPS pollution control projects or programs
2. Development and implementation of estuary conservation and management programs
3. Construction of wastewater treatment facilities

This application package should be used by applicants who wish to obtain an SRF loan for implementation of NPS pollution control projects and programs or development and implementation of estuary conservation and management programs. See the State Water Board's Strategy for Implementing State Revolving Fund for Expanded Use Projects (<http://www.waterboards.ca.gov/funding/docs/srf/downloadedstrategy.pdf>) for further information on policies and procedures for funding NPS pollution control projects.

The purpose of NPS pollution control projects or programs must be to reduce pollution loading to surface water or ground water. Generally, NPS pollution arises from one of the following sources, and projects and programs intended to reduce pollutant loading from these sources are eligible for funding:

1. Urban Runoff
2. Construction/Land Development
3. Road Construction and Maintenance
4. Agricultural Surface Runoff
5. Agricultural Subsurface Drainage
6. Grazing/Dairies
7. Abandoned Mines
8. Silviculture
9. Hydrologic Modification

SRF loans can be used for implementation of a Watershed Plan which consists of specific actions, measures, or structural improvements to improve, enhance or protect the beneficial uses of water within a watershed area. Some examples would be construction of demonstration projects, retention/detention basins, wet ponds, infiltration strips, grassy swales or any other structures intended to remove pollutants originating from NPSs. NPS loans can also be used for training, public education, technology transfer, ordinance development, development of pollutant source reduction management practices, or any activity associated with control of NPSs of pollution.

## **II. Eligible Costs and Financing Options**

In addition to the cost of actual construction of a project, the following related costs are eligible for SRF funding:

- Necessary mitigation measures
- Land purchases for project implementation

The following costs are ineligible for funding:

- Administrative, legal and other associated costs to acquire land
- Operating and maintenance costs

The interest rate on an SRF loan is 50% of the interest rate on the most recently sold State general obligation bond. The maximum amortization period is 20 years. Loans may cover up to 100% of the cost of planning, design, and construction of NPS pollution control structures and 100% of NPS pollution control programs. The borrower will begin making annual repayments of principal and interest one year after the first disbursement of loan funds.

A public agency may also apply for a local match loan. A local match loan is a zero percent interest loan in return for the public agency paying the State match portion of the SRF funds for the loan. For requirements for local match loans, please refer to the "Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities", at [http://www.swrcb.ca.gov/funding/srf\\_policy.html](http://www.swrcb.ca.gov/funding/srf_policy.html).

## **III. General Loan Requirements for NPS or Estuary Enhancement Projects**

- The purpose of the project must be to reduce pollution loading to surface water or ground water originating from NPSs or implement an estuary conservation and enhancement program.

- The applicant must establish one or more dedicated repayment sources for the loan.
- The applicant must comply with all applicable federal and State laws (see attachment).
- The applicant must complete the enclosed application form and provide a conceptual report that describes the need for the project, a schedule of the estimated completion dates, costs of planning and implementation or costs for design and construction.
- The applicant must satisfy the requirements of the California Environmental Quality Act (CEQA).

#### **IV. General Loan Procedures**

Generally, an applicant will have conducted one or more public hearings to discuss the proposed project or program prior to submitting an application for an SRF loan. It may also have conducted studies that describe the NPS pollution problem, identify the impacts, and recommend remediation steps. Once the applicant identifies a project or program for which it would like financial assistance, the basic procedures for both NPS and estuary enhancement projects are as follows:

1. The applicant contacts the appropriate Regional Water Quality Control Board (Regional Water Board) for inclusion on the Regional Water Board Priority List. A map that shows the appropriate Regional Water Board and its phone number is included in this application package.
2. The Regional Water Board submits its Priority List to the State Water Board for inclusion on the statewide Priority List. The State Water Board normally adopts the Priority List in June for use in the State Fiscal Year beginning in July.
3. The applicant completes a project planning report and environmental review documentation in accordance with CEQA. See the State Water Board's Strategy for Implementing State Revolving Fund for Expanded Use Projects (<http://www.waterboards.ca.gov/funding/docs/srf/downloadedstrategy.pdf>) for further information.
4. The applicant completes the enclosed loan application. The application includes a sample resolution authorizing the applicant's representative to sign the loan application and execute a loan contract. The applicant should also include a description of a dedicated revenue source. The application is submitted with the project planning report and the appropriate CEQA report or documentation to the Division of Financial Assistance Source Section of the State Water Board.

5. The State Water Board staff reviews the loan application, planning report, and CEQA documentation.
6. The State Water Board staff issues a Project Plan Approval if the project meets the requirements of the Strategy.
7. The SWRCB staff presents the proposed project to the State Water Board or Division Chief for approval of an SRF loan commitment.
8. The State Water Board and the applicant execute the loan contract.
9. For construction projects, the applicant prepares bidding documents and submits them to the State Water Board for approval.
10. The State Water Board staff approves the bidding documents. The applicant begins bid procedure.
11. The applicant proceeds with the project.
12. The applicant's prepares progress and final reports detailing project performance.

## **V. SRF Assistance to Private Parties**

In addition to loans to public agencies, the SRF can provide the following two forms of assistance to private parties with eligible NPS or estuary enhancement projects.

- 1) Mini-Loan Program: a loan program administered by a local public agency that uses SRF funds to issue loans to private parties for projects that will result in water quality benefits. The local public agency acts as a banker and incurs the risk for the loans. The principal and interest from the mini-loans are used to repay the SRF loan.
- 2) Linked Deposit Program: an agreement between the State Water Board, a local public agency responsible for watershed planning, and one or more financial institutions to provide commercial loans at below market rates to private parties for water quality benefits.

## **VI. State Water Board Telephone Numbers and Mailing Address**

An NPS staff person will be assigned as liaison between the State Water Board and the applicant. The assigned staff person will oversee every aspect of the loan process to insure that applications are handled expeditiously. A staff person will also oversee the reimbursement schedule to ensure that loan recipients are paid promptly.

Mail applications to:

Mr. Christopher Stevens  
State Water Resources Control Board  
Division of Financial Assistance  
1001 I Street, P.O. Box 100  
Sacramento, CA 95812

If you have any questions regarding this application or the SRF process, you may contact a loan representative at (916) 341-5481 or (916) 341-5855.

STATE WATER RESOURCES CONTROL BOARD  
NONPOINT SOURCE AND ESTUARY ENHANCEMENT  
LOAN APPLICATION  
State Revolving Fund

**APPLICANT INFORMATION**

A. Full Legal Name of Agency (Applicant)

\_\_\_\_\_

B. Mailing Address

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

C. Federal Employer Identification Number \_\_\_\_\_

D. Applicant's Authorized Representative

Name \_\_\_\_\_

Title \_\_\_\_\_

Telephone \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E. Applicant's Engineer (for construction projects)

Name \_\_\_\_\_

California Registration Number \_\_\_\_\_

Firm Name and Address

\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_

F. Contact People

Principal Contact \_\_\_\_\_

Telephone \_\_\_\_\_

Alternate Contact \_\_\_\_\_

Telephone \_\_\_\_\_

**PROJECT INFORMATION**

A. Project Title \_\_\_\_\_

B. County \_\_\_\_\_

C. Waterbody Affected

\_\_\_\_\_ which is tributary to

\_\_\_\_\_ which is tributary to

\_\_\_\_\_

Attach a map to indicate agency boundaries, water bodies affected, and other major features.

D. Please check one or more indicating the nature of the nonpoint source pollution problem:

- \_\_\_ Urban Runoff
- \_\_\_ Construction/Land Development
- \_\_\_ Road Construction and Maintenance
- \_\_\_ Agricultural Surface Runoff
- \_\_\_ Agricultural Subsurface Drainage
- \_\_\_ Grazing/Dairies
- \_\_\_ Silviculture
- \_\_\_ Other \_\_\_\_\_

\_\_\_ Estuary Enhancement

E. Please describe the cause of the nonpoint source pollution or estuary enhancement problem.

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F. Please describe how the project will address a nonpoint source pollution or estuary enhancement problem.

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(attach planning studies)

G. Have you spoken with staff of the Regional Water Board concerning your project? \_\_\_\_\_

Regional Water Board Contact \_\_\_\_\_

H. Please list all required permits (including waste discharge requirements) and expected dates of compliance.

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I. What water quality objectives (if any) have been exceeded?

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J. Method for compliance with the California Environmental Quality Act (CEQA):

Environmental Impact Report \_\_\_\_\_  
Negative Declaration \_\_\_\_\_  
Categorical Exemption \_\_\_\_\_

Date of CEQA compliance \_\_\_\_\_  
Please attach CEQA report.

K. Have any public meetings or other forums been held regarding this project?  
\_\_\_\_\_ If yes, summarize results.

\_\_\_\_\_  
\_\_\_\_\_

L. Estimated time schedule.

	Begin	End
Planning	_____	_____
Design	_____	_____
Construction	_____	_____

**FINANCIAL INFORMATION**

A. Total amount of loan request \_\_\_\_\_

B. Estimated cost schedule

Planning \_\_\_\_\_

Design \_\_\_\_\_

Land Acquisition \_\_\_\_\_

Construction \_\_\_\_\_

Estimated Disbursements \_\_\_\_\_  
(show monthly if possible)

C. Term of loan (not to exceed twenty years) \_\_\_\_\_

D. Please describe the dedicated source of revenue to repay the loan. Include the source of the funds and method used to secure collection, revenue for the prior five years, or since inception if less than five years, expected revenues over the term of the loan. Describe any other debts or expenses that the source is obligated to pay and the projected costs.

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# STATE WATER RESOURCES CONTROL BOARD

P.O. BOX 100, Sacramento, CA 95812-0100

Legislative and Public Affairs: (916) 657-1247  
 Water Quality Information: (916) 657-0687

Clean Water Programs Information: (916) 227-4400  
 Water Rights Information: (916) 657-2170

## CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARDS

### NORTH COAST REGION (1)

5550 Skylane Blvd., Ste. A  
 Santa Rosa, CA 95403  
 (707) 576-2220

### SAN FRANCISCO BAY REGION (2)

2101 Webster Street, Ste. 500  
 Oakland, CA 94612  
 (510) 286-1255

### CENTRAL COAST REGION (3)

81 Higuera Street, Ste. 200  
 San Luis Obispo, CA 93401-5427  
 (805) 549-3147

### LOS ANGELES REGION (4)

101 Centre Plaza Drive  
 Monterey Park, CA 91754-2156  
 (213) 266-7500

### CENTRAL VALLEY REGION (5)

3443 Routier Road, Suite A  
 Sacramento, CA 95827-3098  
 (916) 255-3000

### FRESNO BRANCH OFFICE

3614 East Ashlan Avenue  
 Fresno, CA 93726  
 (209) 445-5116

### REDDING BRANCH OFFICE

415 Knollcrest Drive  
 Redding, CA 96002  
 (916) 224-4845

### LAHONTAN REGION (6)

2501 South Lake Tahoe Blvd.  
 South Lake Tahoe, CA 96150  
 (916) 542-5400

### VICTORVILLE BRANCH OFFICE

15428 Civic Drive, Ste. 100  
 Victorville, CA 92392-2383  
 (760) 241-6583

### COLORADO RIVER BASIN REGION (7)

73-720 Fred Waring Dr., Ste. 100  
 Palm Desert, CA 92260  
 (760) 346-7491

### SANTA ANA REGION (8)

California Tower  
 3737 Main Street, Ste. 500  
 Riverside, CA 92501-3339  
 (909) 782-4130

### SAN DIEGO REGION (9)

9771 Clairemont Mesa Blvd., Ste. A  
 San Diego, CA 92124  
 (619) 467-2952



### STATE OF CALIFORNIA

Pete Wilson, *Governor*

### CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

Peter M. Rooney, *Secretary*

### STATE WATER RESOURCES CONTROL BOARD

John Caffrey, *Chairman*

**EXAMPLE OF RESOLUTION**

(To accompany a State Revolving Fund Loan Application)

Resolution Number \_\_\_\_\_

"Resolved by the \_\_\_\_\_  
(city, county, district, etc.)  
that an application be made to the State Water Resources Control Board for funding of  
a loan from the State Revolving Fund.

Therefore, the \_\_\_\_\_  
(title of Authorized Representative)  
of said (city, county, district, etc.) is hereby authorized and directed to cause the  
necessary data to be prepared and investigations to be made in the name of (city,  
county, district, etc.) and is authorized to sign and file such application with the said  
State Water Resources Control Board."

"Further be it resolved that the (authorized representative) of said (city, county, district,  
etc.) is hereby authorized to execute the resultant loan agreement and any  
amendments thereof for purpose of securing loan funds not to exceed (\$  
amount)[or]not to exceed (\$ amount)."

Passed and adopted at a regular meeting of the \_\_\_\_\_  
\_\_\_\_\_  
(governing body)

on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

Authorized Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Clerk/Secretary: \_\_\_\_\_

NOTE: The applicant will also be required to submit a resolution dedicating a source of  
funds for loan repayment after submittal and preliminary review of the application by  
State Water Board staff.

## **LIST OF FEDERAL LAWS AND AUTHORITIES**

### ENVIRONMENTAL

1. Archeological and Historic Preservation Act of 1974, PL 93-291
2. Clean Air Act, 42 U.S.C. 7506(c)
3. Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq.
4. Coastal Zone Management Act of 1972, PL 92-583, as amended
5. Endangered Species Act 16 U.S.C. 1531, et seq.
6. Executive Order 11593, Protection and Enhancement of the Cultural Environment
7. Executive Order 11988, Floodplain Management
8. Executive Order 11990, Protection of Wetlands
9. Farmland Protection Policy Act, 7 U.S.C. 4201 et seq.
10. Fish and Wildlife Coordination Act, PL 85-624, as amended
11. National Historic Preservation Act of 1966, PL 89-665, as amended
12. Safe Drinking Water Act, section 1424(e), PL 92-523, as amended
13. Wild and Scenic Rivers Act, PL 90-542, as amended
14. Historic Sites Act

### ECONOMIC

1. Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended
2. Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with respect to federal contracts, grants or loans.
3. Brooks-Murkowski Compromise
4. Davis-Bacon
5. Single Audit Act